

**BUDGET WORK SESSION
OF THE BRIGHAM CITY COUNCIL
MAY 10, 2010
7:30 A.M.**

PRESENT:	Dennis Fife	Mayor
	Bruce Christensen	Councilmember
	Scott Ericson	Councilmember
	Ruth Jensen	Councilmember
	Bob Marabella	Councilmember
	Tyler Vincent	Councilmember
ALSO PRESENT:	Ben Boyce	Director of Parks and Recreation
	Jim Buchanan	EMS Director
	Dave Burnett	Public Power Director
	Mary Kate Christensen	City Recorder
	Blake Fønnesbeck	Public Work Director
	Paul Larsen	Community & Economic Development Director
	Bruce Leonard	City Administrator
	Jason Roberts	Finance Director

Vactor Truck

Mr. Fønnesbeck reported that the \$40,000 that was in last year's budget is just for the sewer cleaning. The storm drain has not been done in the past. A recent bid for storm drain cleaning of a quarter of the City was \$60,000 a year. A quarter of the City would be done every year, so an area would be cleaned every four years. If the storm drain system is not cleaned regularly, there will be a lot of problems. He felt that the truck could be used for a lot of things that are not even known at this time. It could be used by a lot of departments.

Mayor Pro Tem Christensen agreed that the truck is probably needed; however, he was concerned with putting pressure on private enterprise.

Councilmember Marabella did not feel that the City needed the Vactor truck. If there is a need for it, a local business should be given the work. Having a \$330,000 piece of equipment cannot be justified. Mayor Fife said there will be a savings of \$70,000 per year. It will pay for itself in 3 ½ years. Most cities the size of Brigham City or bigger have a Vactor truck.

Councilmember Jensen expressed concern with taking away business from a local business. Although Mr. Kotter stated that he had enough business, when he talked to her he said Brigham City's business is what sustains him in the winter.

Mayor Pro Tem Christensen said the issue seems to be cleaning the storm drain system. If the City continued to just clean the sewer lines, we could continue as in the past, with Kotter & Sons contracting with the City. If the City starts cleaning the storm drain system it would be an additional \$60,000 a year.

Councilmember Ericson suggested purchasing one of Kotter's used trucks. This would allow time to see what the truck would be used for and how valuable it is.

Mr. Leonard said the City is a service provider. A lot of the services provided by the City could be privatized, such as waste collection. He added that the City owns a road grater that is a very expensive piece of equipment. It is not used every day. They plow snow with it and maintain gravel roads. But when it is needed, it is needed. There are waste collection companies that would love to do Brigham City's waste collection, but they would not provide the same service that Brigham City does. When a citizen doesn't have their can out when the truck comes by, the waste collection employee will go back and pick it up. The City also does spring and summer cleanup. Councilmember Jensen said there are a lot of cities that are privatized and do not have every amenity that Brigham City does and they run just fine.

Mayor Fife explained that the money to pay for this truck is coming from the Fleet Fund. If the Council decides not to purchase the truck to save the money, the money will have to be transferred from the fleet to another fund. The Fleet Fund was established to do this kind of purchasing.

Councilmember Vincent expressed concern with offending Kotter & Sons because the City will need him for other jobs in the future.

Mayor Pro Tem Christensen asked for an informal vote on the purchase of a Vactor truck. Councilmember Ericson and Mayor Pro Tem Christensen voted aye. Councilmember Jensen, Councilmember Marabella, and Councilmember Vincent voted nay.

Councilmember Ericson asked where the money will come from to clean the storm drain system. Mr. Roberts said it will have to be transferred from the Fleet Fund. Mr. Fønnesbeck said it will be about \$40,000 to do the sewer lines. He received bids last year when he was going to have the storm drains cleaned and the bid from Kotter & Sons was \$115,000 for a quarter of the City. Councilmember Ericson suggested spending \$60,000 to see how bad the system is and then next year determine whether the truck is needed. Mayor Pro Tem Christensen said that would be \$100,000 for both services; this would be one-third of a truck. Councilmember Marabella said if the City is going to spend \$100,000 he will change his vote.

Mayor Pro Tem Christensen called for another informal vote on the purchase of a Vactor truck. Councilmember Marabella, Mayor Pro Tem Christensen and Councilmember Ericson voted aye. Councilmember Vincent and Councilmember Jensen voted nay. The purchase of a Vactor truck will remain in the budget.

Culinary Water Loop/Road to SR-13 from 450 West

Mayor Fife said Mr. Roberts found \$567,000 in revenue that was not in the budget. There is also another \$300,000 which was not reimbursed for doing the rights-of-way for the Bird Refuge road. This will go to the Fund Balance in the Utility Fund. If the City sells the property discussed early at approximately \$800,000, this all adds up to be just about enough to pay for the water loop (\$1.6 million).

A project the Mayor said he failed to put in the budget is taking the road from 900 North 450 West to SR-13. Art Huot wants to put a road through there but he has not had the money to do the curb and gutter. Councilmember Marabella expressed concern with cars coming onto SR-13 from 450 West because of the speed of traffic on SR-13 in that area. Mr. Fønnesbeck said Mr. Huot has received authorization for the access from UDOT. Mayor Fife said it is estimated it will cost \$140,000. The City could work with Mr. Huot and put the road in, then when the first lot is sold Mr. Huot would pay the City back for his portion of the expenses.

The additional revenue listed above could be placed in the Capital Improvement Fund for the water loop. If the property is not sold, part of the project could be done.

Councilmember Marabella suggested waiting until all the funds have been received. He did not think it needed to be in the budget. Mr. Roberts explained that because the Utility Fund is an Enterprise Fund it does not have to be done now. The road project would be funded through the General Fund, so it will need to be done through the budget.

Facade Grants

Mr. Larsen reported that there are two projects that were approved for \$15,000 grants - Bert's Café and Northern Village Mortgage. This was over a year ago. Mayor Pro Tem Christensen felt that these businesses should move forward so it is known whether there is money available in this fund. Councilmember Marabella said he will talk to Northern Village. Mr. Larsen said there is another business that is paying the loan back, so the fund is accumulating. Mr. Roberts said there is approximately \$10,000 in the fund over and above the \$30,000 already committed. Mr. Larsen will talk to Bert's Café about completing their project.

Councilmember Marabella recommended setting a policy that a business has six months to initiate the project and one year to complete it.

Councilmember Ericson said there is \$40,000 in the RDA Facade Grant Fund. He suggested putting \$40,000 in a separate Facade Grant Fund for those outside the RDA. The Council agreed. Mr. Roberts will increase the transfer to cover this item.

Staff was instructed to work on a policy for the grant fund to set guidelines for what can be done with the grant, setting time limits, should the grant be limited to Main Street businesses, etc.

Emergency Fund

Mr. Buchanan came forward and stated that in 2007 the State put together a Disaster Relief Fund for the state. Along with this, it allows municipalities to take up to 10% of their estimated revenue and establish Disaster Funds. This will not affect the municipality's Fund Balance minimums for the General Fund, Enterprise Fund, any Internal Service Fund or any other fund designated by the local government.

Mr. Buchanan said the City's share of the fire on the mountain a few years ago was \$94,000. This cannot be covered by insurance.

The Council agreed to increase the limit to \$2M, but keep the amount in the 2010-11 budget at \$50,000.

Facilities

Mayor Fife reported that he and Blake Fannesbeck looked at the office at the Shop Facility and there will need to be some remodeling done. He thought it will cost approximately \$1,500-\$2,000.

There will need to be window air conditioners installed at the Bunderson School before the City can move employees there. The City will not need to pay utilities, other than natural gas. Councilmember Ericson added that there will be a small decrease in revenue because the School Board will not be paying utilities. The Mayor added that the women's bathroom will need some work. The Mayor suggested \$15,000 be added to the Building Maintenance line item. This will be covered through a transfer.

Mr. Roberts asked the Council if he should decrease the amount going to the Capital Project Fund for the water loop line to cover the additional money needed for the facility upgrades, facade grants and the new road, or increase budgeted expenditures. The Council instructed him to increase the transfer.

There were no further budget work sessions scheduled.

The meeting adjourned at 9:07 p.m.